

Honolulu, Hawaii

APR 09 2015

RE: S.R. No. 86

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.R.  
No. 86 entitled:

"SENATE RESOLUTION URGING THE CITY AND COUNTY OF HONOLULU IN  
COORDINATION WITH THE HONOLULU AUTHORITY FOR RAPID  
TRANSPORTATION TO DEVELOP A PLAN TO GENERATE REVENUE FOR  
OPERATIONS AND MAINTENANCE OF RAIL,"

begs leave to report as follows:

The purpose and intent of this measure is to urge the City  
and County of Honolulu to develop a plan to generate revenue for  
operations and maintenance of rail.

More specifically, this measure requests that:

- (1) The City and County of Honolulu, in coordination with  
the Honolulu Authority for Rapid Transportation:
  - (A) Develop a plan to generate revenue via transit-  
oriented development near rail stations, including  
the development of housing and employment clusters;
  - (B) Identify locations where tax increment financing or  
community facilities districts may be established  
to generate revenues that could be used for  
construction, operations, and maintenance of the  
Honolulu rail transit project; and
  - (C) Identify areas of employment concentration and  
opportunities for future transit investments;



- (2) The City and County of Honolulu review land use ordinances of lands that lie within one-half mile of rail stations and implement measures to amend zoning, as necessary, to allow for transit-oriented development in those areas to include but not be limited to commercial, residential, and mixed-use development; and
- (3) The Honolulu Authority for Rapid Transportation expend any proceeds from an extension of the county surcharge on state tax on construction only, and not for rail operation or maintenance costs.

Your Committee received written comments in support of this measure from the Honolulu Authority for Rapid Transportation. . Your Committee received written comments on this measure from the Department of Planning and Permitting of the City and County of Honolulu.

Your Committee finds that the Honolulu Authority for Rapid Transportation has incurred a budget shortfall of up to \$900,000,000 for construction of the Honolulu rail project. Your Committee has approved another measure to address this shortfall in the capital cost budget for the project.

In that measure, your Committee has prohibited the Honolulu Authority for Rapid Transportation from using revenues from the county surcharge on state tax for operation and maintenance costs of the rail project. To that end, it is even more critical that the Honolulu Authority for Rapid Transportation and the City and County of Honolulu identify viable revenue generating options and develop plans to implement them, in order to fund the operation and maintenance of the rail system.

Your Committee is very concerned that, at the current time, no such plans exist, and strongly encourages the Honolulu Authority for Rapid Transportation and the City and County of Honolulu to capitalize on the economic development opportunities that can come with the demand for both housing and job creation along the rail line.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee concurs with the intent and purpose of S.R. No. 86 and recommends its adoption.



Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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JILL N. TOKUDA, Chair



The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SR86</b>	Committee Referral: <b>TRA, WAM</b>	Date: <b>4-8-15</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
<b>Members</b>	<b>Aye</b>	<b>Aye (WR)</b>	<b>Nay</b>	<b>Excused</b>
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood				✓
HARIMOTO, Breene	✓			
INOUE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	<b>9</b>	<b>0</b>	<b>1</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">M. N. W.</div>				
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\*Only one measure per Record of Votes